



[Billing Code 3290-F9]

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Additional Implementing Modification to Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of additional implementing modification.

SUMMARY: In a notice published on May 9, 2019 (May 9 Notice), the U.S. Trade Representative (Trade Representative) increased the rate of additional duty from 10 percent to 25 percent for the products of China covered by the September 2018 action that are (i) entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on May 10, 2019, and (ii) exported to the United States on or after May 10, 2019. An implementing notice published on May 15, 2019 (May 15 Notice), provided that products of China that are covered by the September 2018 action and that were exported to the United States prior to May 10, 2019, are not subject to the additional duty of 25 percent, as long as these products are entered into the United States prior to June 1, 2019. This notice extends the June 1, 2019 date to June 15, 2019.

DATES: HTSUS heading 9903.88.09, set out in the Annex to the May 15 Notice and as amended by the Annex to this notice, applies to products of China covered by the September 2018 action that were exported before May 10, 2019, and entered into the United States on or after May 10, 2019, and before June 15, 2019. The modification in the Annex to this notice applies as of June 1, 2019.

FOR FURTHER INFORMATION CONTACT: For questions about this notice, contact Associate General Counsel Arthur Tsao or Assistant General Counsel Juli Schwartz, or Director of Industrial Goods Justin Hoffmann at (202) 395-5725. For questions on customs classification or implementation of additional duties on products covered in the supplemental action, contact traderemedies@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION: In the May 9 Notice (84 FR 20459), the Trade Representative modified the action being taken in the Section 301 investigation by increasing the rate of additional duty from 10 percent to 25 percent for the products of China covered by the September 2018 action in this investigation. The ‘September 2018 action’ refers to the additional duties on products of China with an annual trade value of approximately \$200 billion, published at 83 FR 47974 (Sep. 21, 2018), as modified by the notice published at 83 FR 49153 (September 28, 2018). Pursuant to the May 9 Notice, the increase in the rate of additional duty was effective on May 10, 2019.

The May 15 Notice (84 FR 21892) implemented the increase in the rate of additional duty by creating a new subheading in Chapter 99 of the Harmonized Tariff Schedule of the United States (HTSUS) (9903.88.09) for products of China covered by the September 2018 action that were exported before May 10, 2019, and entered into the United States on or after May 10, 2019 and before June 1, 2019. HTSUS heading 9903.88.09 was limited to covered products of China entered into the United States during this period of time to account for customs enforcement factors and the average transit time between China and the United States by sea.

To account further for customs enforcement factors and the transit time for goods exported from China on or before May 10, 2019, and imported directly to the United

States, the Trade Representative has determined to extend the June 1, 2019 date to June 15, 2019, as specified in the Annex to this notice. Thus, HTSUS 9903.88.09 applies to products of China covered by the September 2018 action that were exported from China before May 10, 2019, imported directly to the United States from China and entered for consumption, or withdrawn from warehouse for consumption, on or after May 10, 2019 and before June 15, 2019. The modification in the Annex to this notice applies as of June 1, 2019.

The products of China covered by the September 2018 action that are admitted into a foreign-trade zone (FTZ) in ‘Privileged Foreign’ status shall retain that status consistent with 19 CFR 146.41(e) and will be subject, at the time of entry for consumption, to the additional duty rate that was in effect at the time of FTZ admission of said product.

U.S. Customs and Border Protection will issue instructions on entry guidance and implementation.

ANNEX

Effective with respect to goods: (1) exported to the United States before May 10, 2019; and (2) entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on May 10, 2019, and entered for consumption, or withdrawn from warehouse for consumption, before June 15, 2019, the Harmonized Tariff Schedule of the United States is modified:

1. by amending the second paragraph of note 20(I) to subchapter III of chapter 99 by deleting “June 1,” and inserting in lieu thereof “June 15,”; and

2. by amending the article description of heading 9903.88.09 by deleting “June 1,”
and inserting in lieu thereof “June 15,”.

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Office of the U.S. Trade Representative.

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